

EXHIBIT 7-L

PROPOSED RENT SCHEDULE REQUEST FORM INSTRUCTIONS

Instructions for completing the Proposed Rent Structure Form:

Utilities Allowances:

If tenants in your project pay for their utilities (besides telephone, television & internet), attach the Utility Schedule, with tenant paid utilities identified on schedule.

The HUD-published HOME rent limits include utilities. This means that when a tenant pays directly for utilities, the owner/manager must subtract a HOME Program-approved utility allowance from the applicable HUD-published HOME rent limit, in order to calculate the maximum rent that can be charged for that HOME-assisted unit.ⁱ

When combining LIHTC and HOME rents with utilities: The tenant's contribution (including contribution toward rent and any utility allowance) cannot exceed the LIHTC rent limit for the unit. These limits are based on AMI and unit size, and must be adjusted for tenant-paid utilities.ⁱⁱ

HOME Unit Mix

Provide the total number of HOME-assisted units in the project as well as the number of units that are considered to be Low-HOME Rent units.

HUD publishes two annual HOME rent limits: the High HOME rent limits and the Low HOME rent limits. These are the **maximum** rents that owners can charge tenants that reside in HOME-assisted units. **HOME properties with five or more HOME-assisted units must have at least 20 percent of each size of their HOME-assisted units designated as Low HOME Rent units, rounding to the next highest whole number. Units designated as "Low HOME rent" units must be rented to households at or below 50% of area median.** The remaining units may be High HOME Rent units.ⁱⁱⁱ

Example: The Sunny Fields Apartments in Sunshine County, Montana, has 20 HOME and LIHTC units with 4 one-bedroom, 10 two-bedroom and 6 three bedroom units.

	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Total Number of HOME Units		4	10	6			
Number of Low-HOME Units		1	2	2			

4 one-bed units X 20% = 0.8 units which is rounded to 1 unit

10 two-bed units X 20% = 2 units

6 three-bed units X 20% = 1.2 units which is rounded to 2 units

Low HOME Rent units must be occupied by tenants whose incomes do not exceed the HUD-published HOME very low-income limits (i.e., do not exceed 50% of area median). The rents for these units cannot exceed the HUD-published Low HOME rent limits.

High HOME Rent units must be occupied by tenants whose incomes do not exceed the HUD-published HOME low-income limits (i.e., do not exceed 80% of area median). The rents for these units cannot exceed the HUD-published High HOME rent limits.

Maximum Allowable HOME Rents

Use the schedule provided at the link below to enter the High and Low HOME rent limits:

<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/rent/>

Example: The Sunny Fields Apartments have 20 HOME and LIHTC units with a mix of one, two and three bedroom units. The property manager uses the link provided to pull down the 2012 HOME rent limits for Sunshine County and completes the table for their relevant units:

*Effective Date of HOME Rent Schedule: **February 9, 2012***

HOME Rent Limits							
HOME	0 Bed	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed	6 Bed
Low-HOME Rent		525	623	718			
High-HOME Rent		535	685	798			

Be sure to provide the effective date of the HOME rent schedule you are using

USDA Rural Development Assistance

*****Only complete this section if you have RD units in your project*****

Indicate which RD Program your project receives assistance through and attach a copy of the most current letter you received from RD with their approved rates for the property, including the effective date.

Maximum Allowable Low Income Housing Tax Credit Rents

*****Only complete this section if you have LIHTC units in your project*****

Use the website provided at the link below to enter the LIHTC rent limits for your units.

<http://housing.mt.gov/About/MF/incomeandrentlimits.mcp>

If the income level targeted by your project is not listed (i.e., those that target 55% or 45%), use the blank lines at the bottom of the table to provide the targeted percentages and the appropriate rent limits.

Example: The Sunny Fields Apartments have 20 HOME and LIHTC units with a mix of one, two and three bedroom units. Their LIHTC unit rents are targeted for tenants who are at 45%, 50% and 60% AMI. Using the information from the provided link, the property manager completes the table below with for the relevant unit sizes and targeted incomes

*Effective Date of LIHTC Rent Schedule: **12/1/2011***

LIHTC Rent Limits							
LIHTC	0 Bed	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed	6 Bed
30%							
40%							
50%		525	618	722			
60%		540	700	805			
(added by PM) 45%		515	607	709			

Be sure to provide the effective date of the HOME rent schedule you are using

Proposed Rent Schedule

Provide your proposed gross rent schedule (tenant portion, utilities allowances, and additional subsidies) for the next twelve months. **Rents below the maximums listed in the table above are allowable. However, your schedule may not exceed the maximum rent limits established in the tables above. For units to qualify as both tax credit and HOME-assisted units, rents cannot exceed either program limit (i.e., the most stringent rent limit must be followed).**^{iv}

If the project has LIHTC units, use the left hand column to provide the AMI targeted by your rent structure.

Example: the Property Manager of the Sunny Fields Apartments enters the proposed rent schedule for the project. Once entered, the Property Manager reviews the schedule that the rents do not exceed rents listed in the schedules above.

Proposed Rent Schedule for Sunny Fields Apartments							
	0 Bed	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed	6 Bed
45%		515	607	709			
50%		525	618	718			
60%		535	685	798			

Note: Because the High HOME rent is more restrictive than the 60% AMI unit rent for LIHTC in this example, the High HOME rents are used. Where the LIHTC rents are most restrictive, then the LIHTC rents are used rather than the Low or High HOME rents.

Signatures

The rent structure proposal should be signed by Grantee's Executive Director (if the original HOME Grantee was a CHDO and PHAs) or Chief Elected Official (if the original HOME Grantee was a Local Government) and the Property Manager/Owner, if applicable.

ⁱ Compliance in HOME Rental Projects: A Guide for Property Owners, pg 55

<http://www.hud.gov/offices/cpd/affordablehousing/library/modelguides/2009/2009homerentalpo.pdf>

ⁱⁱ Blending HOME and LIHTC Requirements,

<http://www.hud.gov/offices/cpd/affordablehousing/training/web/lihtc/settingrents/blending.cfm>

ⁱⁱⁱ Compliance in HOME Rental Projects: A Guide for Property Owners, pg 7

^{iv} Compliance in HOME Rental Projects: A Guide for Property Owners, pg 92